

## **V. PREPARING FOR THE 21ST CENTURY**



# 1. INVESTING IN EDUCATION AND TRAINING

*Americans want the best for our children. We want them to live out their dreams, empowered with the tools they need to make the most of their lives and to build a future where America remains the world's beacon of hope and freedom and opportunity. To do this, we must all make improving the quality of education in America one of our highest priorities.*

President Clinton  
September 1997

In today's fast-paced, increasingly competitive world economy, the most successful Americans are those with the skills to compete, making education more and more vital for all Americans. Tomorrow's workers face an even greater challenge. As technological innovations change the very nature of work, employers will demand even more highly skilled and flexible workers. The best-paying jobs increasingly will go only to those with education and training beyond high school.

For the most part, our Nation places responsibility for education and training on State and local governments, families and individuals, and the private sector. Nevertheless, the Federal Government plays a crucial role in supporting education and training, from pre-school through adulthood.

Over the last five years, the President has worked hard to expand Federal support in ways that help families, communities, and States ensure that every boy and girl is prepared to make the best use of education; that the education system enables every child to learn to his or her potential; that those who need resources to pay for postsecondary education and training can get them; that those who need a second chance at education and training, or a chance to improve or learn skills throughout their working lives, can get those opportunities; and that States and communities that receive Federal funds can use them more flexibly, with fewer regulations and less paperwork.

The budget proposes to significantly increase funding to help children, especially children in the poorest communities, reach challenging academic standards, and it proposes to make further progress in implementing voluntary national tests. At the same time, the budget proposes major new initiatives to help families and caregivers more effectively begin children's education; to help high-poverty, low-achieving school districts carry out reforms and hold schools accountable for improving student achievement; to raise the rate of school construction and renovation; to fund 4,000 school- and community-based sites for before- and after-school programs for children; to reduce class size by paying for 100,000 new teachers over the next seven years; to expand public school choice; to improve reading and mathematics achievement; and to improve the quality of teaching and the use of technology.

To ensure that Americans get the post-secondary education and training they need to succeed at work, the budget proposes to increase Pell Grants and other college scholarship awards; to expand College Work-Study to a record one million students; to streamline student loan programs and cut student fees; to continue implementing the Welfare-To-Work program; and to expand access to job placement services, training, and related services for dislocated workers and others. In addition, the budget proposes new initiatives to help colleges, high schools, and middle schools provide continuous mentoring and other services to encourage students

in high-poverty areas to stay in school and prepare for college; to explain the benefits of college and the availability of Federal student aid to students and their families; and to provide intensive help to jobless youth in high-poverty areas (see Table 1-1).

### **Elementary and Secondary Education**

Federal programs help all children, especially those in high-poverty areas, achieve all they can. The budget increases support for most ongoing programs, and proposes new programs with substantial resources to supplement them. (For information on Head Start and other important education-related programs for young children, see Chapter 2, "Supporting Working Families.")

***Voluntary National Tests:*** The President has proposed tests—in fourth grade reading and eighth grade mathematics—with which parents and schools can evaluate their students' achievement against challenging standards of performance, and against the achievements of children across the country and the world. The budget proposes \$16 million to further develop the tests, which the States would administer.

***New Teachers and Smaller Class Sizes:*** Soaring school enrollments have caused severe teacher shortages and classroom overcrowding. The budget provides \$7.3 billion over five years to help States reduce class size in the early grades by recruiting and training teachers to teach effectively in small-class settings. Research in Tennessee and Indiana shows that reducing class size to 15-18 students in the early grades improves student achievement, particularly among low-income and minority students in inner cities.

***Teacher Recruitment and Preparation:*** The budget provides \$67 million, and \$350 million over five years, to help improve the quality of teacher preparation programs at colleges and universities and address shortages of well-prepared teachers, particularly in urban and rural schools. In 1999, the proposal would fund 12 partnerships of exemplary teaching colleges and universities, urban and rural schools, and subsidiary colleges and universities with teaching programs. It also would fund at least 7,000 scholarships in 1999, and 35,000 over five

years, to help recruit and retain teachers for urban and rural schools.

***Education Opportunity Zones:*** Most school districts with children who are the furthest away from reaching challenging academic standards serve the poorest communities. The budget proposes new resources to help these districts if they adopt tough reforms to hold schools accountable for improving quality, expanding public school choice, ending social promotion, and showing real improvements in student achievement. About 50 high-poverty, low-achieving, urban and rural school districts would receive funds for at least three years, and schools that show significant learning gains could get funds for two more. The budget proposes \$200 million for the initiative, and \$1.5 billion over five years.

***School Construction:*** A third of all schools across the country, with 14 million students, have one or more buildings that need extensive repair, according to the General Accounting Office. School districts also face the cost of upgrading schools to accommodate computers and modern technology, and of constructing new classrooms and schools to meet expected record enrollment levels over the next decade. The President proposes \$5 billion in tax incentives over five years, and more than \$10 billion over 10 years, to help States and school districts accelerate the pace of new construction or renovation projects. States and school districts will be able to leverage the Federal investment by amounts that are even greater.

***Education Technology:*** In February 1996, the President challenged the public and private sectors to work together to ensure that all children are technologically literate by the dawn of the 21st Century, and that schools take full advantage of the benefits of technology in raising student achievement. Achieving this goal will require progress in four areas: connecting every classroom to the Internet; expanding access to multimedia computers; increasing the availability of high-quality educational software and content; and ensuring that teachers can teach effectively using technology.

The budget supports the following major programs that help achieve these goals, with a new focus on technology training for teachers, so that all new teachers entering the

**Table 1-1. THE BUDGET INCREASES RESOURCES FOR MAJOR EDUCATION AND TRAINING PROGRAMS BY \$11.6 BILLION, OR 32 PERCENT OVER 1998, AND BY A TOTAL INCREASE OVER 1993 OF 81 PERCENT**

(Dollar amounts in millions)

|  | 1993<br>Actual | 1998<br>Estimate | 1999<br>Proposed | Dollar<br>Change:<br>1998 to<br>1999 | Percent<br>Change:<br>1993 to<br>1999 |
|--|----------------|------------------|------------------|--------------------------------------|---------------------------------------|
| <b>TAX EXPENDITURES:</b>   |                |                  |                  |                                      |                                       |
| Hope Scholarships Credit .....   |                | 205              | 4,160            | +3,955                               | NA                                    |
| Lifetime Learning Credit .....   |                | 115              | 2,550            | +2,435                               | NA                                    |
| School Construction .....  |                |                  | 215              | +215                                 | NA                                    |
| Work Opportunity Tax Credit (Targeted Jobs Tax Credit in 1993) .....                               | 160            | 280              | 406              | +126                                 | +154%                                 |
| Welfare/Jobs Tax Credit .....  |                | 10               | 41               | +31                                  | NA                                    |
| <b>Total, tax expenditures .....</b>   | <b>160</b>     | <b>610</b>       | <b>7,372</b>     | <b>+6,762</b>                        | <b>+4,508%</b>                        |
| <b>MANDATORY OUTLAYS:</b>  |                |                  |                  |                                      |                                       |
| Welfare-to-Work Grants .....   |                | 466              | 1,299            | +833                                 | NA                                    |
| Early Learning Fund (see Chapter 2) .....  |                |                  | 372              | +372                                 | NA                                    |
| <b>RECEIPTS FROM TOBACCO LEGISLATION:</b>  |                |                  |                  |                                      |                                       |
| Class Size Reduction .....   |                |                  | 1,100            | +1,100                               | NA                                    |
| <b>DISCRETIONARY BUDGET AUTHORITY:</b>   |                |                  |                  |                                      |                                       |
| <b>Pre-School (see Chapter 2):</b>   |                |                  |                  |                                      |                                       |
| Head Start .....   | 2,776          | 4,355            | 4,660            | +305                                 | +68%                                  |
| <b>Elementary and Secondary Education:</b>   |                |                  |                  |                                      |                                       |
| America Reads Challenge:   |                |                  |                  |                                      |                                       |
| Department of Education .....  |                |                  | 260              | +260                                 | NA                                    |
| Corporation for National and Community Service .....   |                | 64               | 153              | +89                                  | NA                                    |
| Goals 2000 .....   |                | 491              | 501              | +10                                  | NA                                    |
| Education Opportunity Zones .....  |                |                  | 200              | +200                                 | NA                                    |
| Education Technology .....   | 23             | 584              | 721              | +137                                 | +3,035%                               |
| Title I—Education for the Disadvantaged .....  | 6,709          | 8,022            | 8,496            | +474                                 | +27%                                  |
| Eisenhower Professional Development .....  | 289            | 335              | 335              |                                      | +16%                                  |
| Teacher Recruitment and Preparation .....  |                |                  | 65               | +65                                  | NA                                    |
| Special Education .....  | 2,966          | 4,811            | 4,846            | +35                                  | +63%                                  |
| Bilingual and Immigrant Education .....  | 213            | 354              | 387              | +33                                  | +82%                                  |
| Safe and Drug Free Schools and Communities .....   | 582            | 556              | 606              | +50                                  | +4%                                   |
| Charter Schools .....  |                | 80               | 100              | +20                                  | NA                                    |
| After-School Learning Centers .....  |                | 40               | 200              | +160                                 | NA                                    |
| <b>Postsecondary Aid:</b>  |                |                  |                  |                                      |                                       |
| Pell Grants .....  | 6,372          | 7,345            | 7,594            | +249                                 | +19%                                  |
| College Work-Study .....   | 617            | 830              | 900              | +70                                  | +46%                                  |
| Other Campus-based Aid .....   | 764            | 779              | 709              | -70                                  | -7%                                   |
| Early Awareness Information Campaign .....   |                |                  | 15               | +15                                  | NA                                    |
| <b>Work Force Development:</b>   |                |                  |                  |                                      |                                       |
| Learning Anytime, Anywhere Partnerships (Education and Labor Departments) .....                    |                |                  | 40               | +40                                  | NA                                    |
| Opportunity Areas for Out-of-School Youth .....  |                |                  | 250              | +250                                 | NA                                    |
| Vocational Education .....   | 1,170          | 1,147            | 1,150            | +3                                   | -2%                                   |
| Adult Education .....  | 305            | 361              | 394              | +33                                  | +29%                                  |
| Veterans Employment Services and Training .....  | 167            | 164              | 264              | +100                                 | +58%                                  |
| School-to-Work (Education and Labor Departments) .....   |                | 400              | 250              | -150                                 | NA                                    |
| Job Corps .....  | 966            | 1,246            | 1,308            | +62                                  | +35%                                  |
| JTPA Low-income Adult Training .....   | 1,015          | 955              | 1,000            | +45                                  | -1%                                   |
| JTPA Dislocated Worker Assistance .....  | 517            | 1,351            | 1,451            | +100                                 | +181%                                 |
| Employment Service and One-Stop Centers .....  | 895            | 974              | 964              | -10                                  | +8%                                   |
| <b>Total, budget authority .....</b>   | <b>26,346</b>  | <b>35,244</b>    | <b>37,819</b>    | <b>+2,575</b>                        | <b>+44%</b>                           |
| <b>TOTAL RESOURCES (tax expenditures; receipts; mandatory outlays; and budget authority) .....</b> | <b>25,506</b>  | <b>36,320</b>    | <b>47,962</b>    | <b>+11,642</b>                       | <b>+81%</b>                           |
| <b>STUDENT LOANS (face value of loans issued):</b>   |                |                  |                  |                                      |                                       |
| Direct loans .....   |                | 11,204           | 12,002           | +798                                 | +100%                                 |
| Guaranteed loans .....   | 16,089         | 20,461           | 21,932           | +1,471                               | +36%                                  |
| Consolidation loans .....  | 1,540          | 6,574            | 6,116            | -458                                 | +297%                                 |
| <b>Total, student loans .....</b>  | <b>17,629</b>  | <b>38,239</b>    | <b>40,050</b>    | <b>+1,811</b>                        | <b>+127%</b>                          |
| <b>DEPARTMENT OF EDUCATION:</b>  |                |                  |                  |                                      |                                       |
| Discretionary Budget Authority .....   | 23,694         | 29,559           | 31,156           | +1,597                               | +31%                                  |

NA = Not applicable.

work force can use technology effectively in the classroom, and that there is at least one teacher who can serve as a technology expert in every school to help other teachers use technology.

- **Technology Literacy Challenge Fund:** In 1996, the President committed to securing \$2 billion over five years to support education technology goals. Through this Fund, States receive formula grants for buying hardware, connecting to the Internet, training teachers, and developing and buying high-quality software. Through 1998, the Fund has received \$625 million and, for 1999, the budget proposes another \$475 million. In 1999, the Administration will encourage States to spend at least 30 percent of the Fund on teacher training in technology use.
- **Technology Innovation Challenge Grants:** The budget proposes \$106 million for this program, which awards competitive matching funds to partnerships between schools and the private sector to implement innovative applications of educational technology.
- **Technology Training for Teachers:** The budget provides \$75 million for new grants to States, teacher colleges, and others to help ensure that all new teachers can use technology effectively.
- **Community Computer Centers:** The budget proposes \$10 million to help establish computer centers in low-income communities so that families that cannot afford to buy computers at home still have access to the technology, and their children will not fall behind classmates with home computers. These centers can help low-income families gain access to on-line job databases and distance learning opportunities.

**America Reads:** Last year, the President launched the America Reads Challenge, a multi-faceted effort to help States and communities ensure that all children can read well and independently by the end of third grade. The budget provides \$260 million for the Education Department to help train reading tutors and coordinate after-school, weekend, and summer reading programs that are linked to in-school instruction; help train teachers to

teach reading; and help parents help children prepare to learn to read. The budget also proposes a \$89 million increase, to \$153 million, for the Corporation for National and Community Service to recruit America Reads tutors through its AmeriCorps and related programs. Responding to the President's challenge, 838 colleges have pledged to use tens of thousands of federally-financed work-study positions for tutoring programs.

**Mathematics Initiative:** The Third International Mathematics and Science Study revealed that while the Nation's fourth grade students are performing above average in mathematics, eighth graders are performing below average. In response, the President asked the Education Department and the National Science Foundation to develop an initiative to help students meet challenging mathematics standards in the eighth grade. The budget proposes \$37 million for this initiative, which will improve mathematics teaching through better teacher preparation and the use of effective instructional materials and technology.

**Goals 2000:** Enacted in 1994, Goals 2000 helps States set high standards for all children, and plan and implement steps to raise educational achievement. It builds on the National Education Goals, first articulated by the Nation's governors (led by then-Governor Clinton) and President Bush in 1989, which provide national targets but encourage States to develop their own means to achieve them. The budget provides \$501 million for Goals 2000 (in which every State participates), \$10 million more than the 1998 level.

**Charter Schools:** Charter schools introduce variety and choice into the public school system. Parents, teachers, and communities create the schools, and States free them from most rules and regulations. Charter schools now number over 700, and some are already producing higher student test scores and lower drop-out rates. The budget proposes \$100 million for public charter schools, a \$20 million increase over the 1998 level, to fund start-up costs for 1,300 to 1,500 schools and continue progress toward the President's goal of 3,000 charter schools by 2001.

**Title I—Education for the Disadvantaged:** Title I provides funds to raise the educational achievement of disadvantaged children. In 1994, the President proposed, and Congress adopted, legislation to focus Title I resources more on low-income children, to set the same high standards for those children as for all others, to hold schools accountable for progress toward achieving those standards, and to give States and schools greater flexibility in using Title I funds. The budget provides \$8.5 billion, six percent more than in 1998, including \$7.8 billion for grants with which school districts can provide educational services to over 10 million children in poor communities.

**Comprehensive School Reform Demonstration:** This program, which Congress enacted last year, will help nearly 3,500 schools Nation-wide implement effective, research-based school improvement models. The budget proposes \$150 million for these demonstrations in high-poverty schools, a \$30 million increase, and \$25 million for similar demonstrations in other schools.

**Safe and Drug-Free Schools and Communities:** Since 1993, this program has provided a total of \$3.1 billion to help 97 percent of all school districts implement anti-drug and anti-violence programs. The budget proposes \$556 million, including \$125 million in competitive grants for projects that use proven program designs in high-need areas. The budget also proposes \$50 million for a new School Drug Prevention Coordinators program to ensure that half of all middle schools have a director of drug and violence prevention programs to monitor local programs and link school-based programs to community-based programs.

**Special Education:** Last year, the President signed into law amendments to the Individuals with Disabilities Education Act (IDEA) to help States improve educational results for children with disabilities by holding States accountable for performance and focusing resources on teaching and learning. The budget provides \$4.8 billion for IDEA, including an increase of \$20 million for the Infants and Families program and an increase of \$10 million to expand State Improvement Grants to reach 35 to 40 States.

## Postsecondary Education and Training

High school is the first key step to a good job. But it is only a first step. Those with more years of schooling consistently earn more over their working careers than those with only a high school degree. The cost of higher education can be imposing to many families, but Federal support through Pell Grants, work-study, student loans, Hope Scholarship credits, Lifetime Learning Credits, other tax benefits, and other programs now make college affordable for every American. The budget proposes to help even more young people go to college and to teach all families about the full range of Federal aid.

**College Preparation and Attendance:** The budget proposes a new \$140 million initiative to help increase college participation among low-income students. It also proposes a \$15 million College and Financial Aid Information program—a Nation-wide information campaign on the benefits of higher education and the availability of Federal resources.

**Hope Scholarship Credits and Lifetime Learning Credits:** Last year, the President proposed, and Congress enacted, new tax benefits for postsecondary education for low- and middle-income families. With Hope Scholarships, students in the first two years of college or other eligible postsecondary training can get a tax credit of up to \$1,500 for tuition and fees. In 1999, an estimated 5.5 million students will receive \$4.2 billion in tax credits. Under the Lifetime Learning Credit, students beyond the first two years of college, or those taking classes part-time to improve or upgrade their job skills, will receive a 20-percent tax credit for the first \$5,000 of tuition and fees each year through 2002, and a 20-percent credit for the first \$10,000 thereafter. In 1999, an estimated 7.2 million students will receive \$2.5 billion in tax credits.

**Pell Grants:** The President proposes to raise the maximum Pell Grant award by \$100, to \$3,100—the highest ever—to reach 3.9 million low- and middle-income undergraduates. The budget provides \$7.6 billion for Pell Grants, a \$249 million increase over the 1998 level. In addition, in its reauthorization proposals for 2000, the Administration will

### Investing in the Special Needs of Hispanic Americans

The education of Hispanic Americans requires special attention. Their high school drop-out rate, for example, is unacceptably high. Due in part to 1994 improvements in the way that children with limited English proficiency are served, Latinos now receive 32 percent of services under Title I (the largest elementary and secondary program), more than any other minority group. On top of other efforts to boost funding for programs that serve disadvantaged students, the budget targets funding to programs that show particular promise in addressing these needs. The funding increases include:

- \$30 million, to a total of \$150 million, for Comprehensive School Reform in high-poverty schools, providing grants for research-proven reform efforts to schools that have low achievement and high drop-out rates;
- \$25 million, to \$50 million, for Bilingual Education Professional Development, giving teachers the skills they need to help their students learn English and meet challenging academic standards;
- \$53 million, to \$583 million, for the TRIO programs that work with low-income high school and college students to encourage them to complete high school and attend, and graduate from, college;
- \$16 million, to \$28 million, for assistance for colleges and universities that serve large numbers of Hispanic students;
- \$5 million, to \$15 million, for the High School Equivalency Program for migrants and the College Assistance Migrant Program;
- \$33 million, to \$394 million, for Adult Education to expand services and improve English as a Second Language programs by identifying and disseminating proven and promising practices;
- \$50 million, to \$355 million, for Title I-Migrant Education, which provides additional educational assistance to migrant children; and
- \$5 million for a Labor Department demonstration program to develop new training, and work and learning opportunities to help young migrant farm workers qualify for other job opportunities with career potential.

propose to expand Pell Grants to reach more low-income independent students and others.

**Work-Study:** In 1996, the President committed to expanding the Work-Study program to one million students by the year 2000. The budget reaches the goal one year early. In 1999, one million needy students would earn their work-study awards by helping their schools or surrounding communities. The budget provides \$900 million—the highest level ever—a \$70 million increase over the 1998 level.

**Student Loans:** An estimated 6.2 million people will borrow \$40 billion through the Federal student loan programs in 1999. The Administration proposes to improve financial incentives in the Federal Family Education Loan program, which guarantees commercial loans through intermediaries known as

guaranty agencies, and ensure continued innovation in the Direct Loan program, which provides capital directly to schools and students. The budget proposes to streamline the Government-guaranty system, to save money for students and families, and to improve services to both schools and borrowers.

A new interest rate structure for student loans, scheduled to take effect on July 1, 1998, may prompt some lenders in the Government-guaranteed loan system to withdraw rather than accept lower revenues. The Administration plans to work with Congress on a rate structure that ensures that students continue to enjoy access to loans but that still limits student costs.



### Improving Student Loan Programs

The budget proposes reforms in both the direct and guaranteed student loan programs that will benefit students, taxpayers, and schools, as outlined below.

#### *Providing More Benefits to Students*

- Cut origination fees on new loans to students and parents to three percent, from four percent.
- Phase out origination fees for needy students.
- Require lenders to offer flexible repayment terms to borrowers.

#### *Streamlining the Government-Guaranteed Loan System*

- Establish performance agreements with guaranty agencies, with compensation tied to the amount and quality of work they perform.
- Recapture unneeded Federal funds held by guaranty agencies.

#### *Improving Loan Management*

- Ensure that both loan programs use private industry best practices, such as electronic loan origination and access on the Internet to loan balance information, to improve customer service, minimize defaults, and improve loan servicing.
- Standardize processes and data formats as much as possible in both Federal loan programs to increase efficiency and lower costs.

***Innovations for Access and Retention among Low-Income Students, Especially Minorities:*** Although the Federal Government provides significant resources to finance higher education for everyone who needs the help, some groups of Americans, especially some minorities, still attend college at lower rates than others and drop out at higher rates. The budget provides \$20 million for rigorously designed experiments to determine how to promote greater college attendance and completion among these groups.

***Learning Anytime, Anywhere Partnerships:*** The budget proposes \$40 million (\$30 million in the Education Department, \$10 million in the Labor Department) to enhance and promote distance learning opportunities (i.e., learning outside the usual classroom settings, via computers and other technology) for all adult learners. In Education, the program would fund partnerships among educational institutions, software developers, subject matter specialists, and private employers to develop new means of delivering distance learning, and of assessing competencies of distance learners. In Labor, the program would support information for job seekers, employers, and workers on the skills required for various occupations, and the training needed and available to acquire them.

### Work Force Development

With college now affordable to every American through the broad array of Federal assistance, the Administration seeks to ensure that every adult has access to employment and training services. Adults who lose jobs and need new jobs or new skills to get those jobs, adults who are seeking jobs for the first time, or adults who want new skills to advance or change their careers need a broad array of financial and program supports—especially as workers strive to succeed in the fast-changing new economy.

To the extent that adults need resources for traditional education and certain job training, the major postsecondary programs (described earlier in this chapter) cover most of their need. All adults can get loan assistance to finance postsecondary degrees or certificates; all low-income adults seeking undergraduate degrees can get Pell Grants; and all low- and middle-income adults can get tax credits for job training and postsecondary education expenses under the Hope Scholarship and Lifetime Learning Credits.

In addition, all adults working in jobs covered by the Unemployment Insurance system are eligible, in accord with State laws, for income support when they lose jobs.

Many of them are also eligible for other income support if they lose jobs for specific reasons, such as the impact of certain trade policy. All adults can get job search assistance through One-Stop Career Centers, an Administration initiative of the last five years that has greatly improved the core Employment Service system and greatly improved employment services and job and labor market information. Adults also have increasingly greater access to job information through the Internet and will have still greater opportunities through the Learning Anytime, Anywhere Partnerships described earlier in this chapter. Nevertheless, the system for adults is not yet complete.

The budget proposes to build on the initiatives, enacted in 1997, that began the process of ensuring that State unemployment insurance funds will be sufficiently solvent in case of an economic downturn. The budget also proposes to improve the mechanisms to supplement regular unemployment insurance with Extended Benefits when individual States experience economic downturns.

Since 1993, the President has worked with Congress to more than double funding for dislocated worker training and employment assistance and is proposing major new investments in the employment and training needs of veterans. But, many adults need more than financial help for training or income support when they are between jobs. The system of programmatic support for these adults is primarily represented by the Job Training Partnership Act (JTPA), including its Dislocated Worker and Adult training programs. The Administration continues to believe that it is critical to restructure and streamline Federal work force programs so they can better serve workers and those who want to work. The Administration first proposed comprehensive reform in its 1995 GI Bill for America's Workers, and it is working closely with Congress to fashion major reform and streamlining of job training programs, vocational education, and adult education programs.

The Administration is committed to improve the system for adults so that, in time, all adults will be able to afford, and have access to, the training and job placement

and related services they need. The budget proposes to make further progress toward this goal through the work force development proposals described below.

- *Dislocated Worker Training:* The budget proposes \$1.5 billion, an increase of \$100 million and nearly three times the amount available when the President took office, to provide readjustment services, job search assistance, training, and related services to help dislocated workers find new jobs as quickly as possible. Among the workers assisted by the program, and the proposed increase, are those displaced by trade and related causes.
- *Low-Income Adult Training:* The budget proposes \$1 billion, an increase of \$45 million, for the JTPA program that provides training for disadvantaged and low-income unemployed adults, including welfare recipients.
- *Welfare-To-Work:* To help reach the Temporary Assistance for Needy Families program's employment goal for welfare recipients, the Administration sought, and Congress provided, additional targeted funds for a new Labor Department welfare-to-work grants program. It will provide a total of \$3 billion in 1998 and 1999 for formula and competitive grants to States and local communities to give long-term welfare recipients the job placement services, transitional employment, and job retention and support services they need to achieve economic self-sufficiency.
- *Adult Education:* This program helps almost four million educationally disadvantaged adults, including welfare recipients and immigrants, develop basic skills (including literacy), achieve their certification of high school equivalency, and learn English. The budget proposes \$394 million, an increase of \$33 million over the 1998 level.
- *One-Stop Employment Service:* The budget proposes \$817 million for grants to the State Employment Service system, and \$147 million to complete the initial development of the One-Stop Career Center system and to continue building America's Labor Market Information System. By the

end of 1999, all States will have received grants to implement One-Stop systems that streamline re-employment and career development activities by improving access to services for job seekers and employers.

- *Unemployment Insurance:* Experienced workers who lose their jobs generally are eligible for up to 26 weeks of unemployment benefits. Although benefits vary by State, the average benefit Nation-wide is nearly \$200 a week. An estimated 8.3 million people will draw benefits in 1999. To make the system even more secure, the Administration will propose legislation in 1999 that will strengthen the unemployment insurance safety net so that benefits are available in the event of a recession, improve State administrative operations, and make the standby Extended Benefits program more responsive to State unemployment.
- *Trade Adjustment Assistance (TAA):* The budget includes several proposals to carry out the President's commitment to help trade-impacted workers by providing better access to training and income support: extending the TAA and NAFTA-Transitional Adjustment Assistance (NAFTA-TAA) programs for five years; expanding eligibility for TAA benefits to cover workers who lose jobs when plants or production shifts abroad; raising the statutory cap on training expenses; making training and income support more consistent across the TAA and NAFTA-TAA programs; and adding a contingency provision to ensure that the Federal Government has sufficient funds to finance any unexpected increase in benefit costs for eligible workers. The budget proposes to increase TAA programs by \$737 million over five years.
- *Montgomery GI Bill (MGIB) and Veterans Training and Employment:* Over 400,000 veterans and reservists will receive education benefits under the MGIB Active-Duty program, which helps service members readjust to civilian life after military service, and the MGIB Reservist program. The budget proposes a 20-percent benefit rate increase for MGIB trainees—the most significant increase since the pro-

gram's inception—raising the Active-Duty MGIB benefit to over \$500 a month in 1999 for full-time enrollment, most of which is in colleges. Along with the MGIB benefit increase, for which the budget provides \$1 billion over five years, the budget also proposes an increase of \$100 million, and \$500 million over five years, to expand the Labor Department's veterans employment and training programs.

**Youth Programs:** While continuing to improve the education of young people and eliminate financial barriers to postsecondary education and training for all, the budget continues support for State development of school-to-work systems and for Labor Department programs to help disadvantaged youth prepare for careers.

- *School-to-Work:* Funded and administered by the Education and Labor Departments, this initiative makes competitive awards to States and communities to build comprehensive systems that help young people move from high school to careers or postsecondary training and education. School-to-Work supports school reforms and ties between schools and employers, enabling young people to prepare for high-skill, high-wage careers; receive top-quality academic and occupational training; and pursue more postsecondary education or training. The budget proposes \$250 million, \$150 million less than the 1998 level, reflecting the gradual sunseting of the program as States implement and sustain their own systems.
- *Youth Opportunity Areas:* Recognizing the special problems of out-of-school youth, especially in inner-cities and other areas where jobless rates can top 50 percent, the budget includes \$250 million for competitive grants to selected high-poverty urban and rural areas with major youth unemployment problems. The Labor Department will award funds to those high-poverty areas, including federally-designated Empowerment Zones and Enterprise Communities, that submit applications showing that they have the best chance of substantially increasing employment among out-of-school youth. These "seed" funds will leverage State, local, and pri-

vate resources to employ youth in private sector jobs with good career opportunities. (For more information on Empowerment Zones and Enterprise Communities, see Chapter 8, "Strengthening the American Community.")

- *Summer and Year-Round Youth Employment and Training:* The summer jobs program gives hundreds of thousands of urban and rural disadvantaged youth their first work experience. The budget provides \$871 million to finance 530,000 job opportunities for the summer of 1999, assuming that localities spend this flexible funding entirely on summer jobs. The budget also includes \$130 million for the year-round program to help low-income youth—many of them in families on public assistance—who have dropped out of school, or are at risk of doing so, return to school or alternative learning programs. The budget would continue to permit local service delivery areas that receive both types of these funds to shift resources between the summer and year-round programs, as local needs dictate.
- *Job Corps:* The Job Corps provides intensive, work-related vocational skills training, integrated with academic and social education, and support services to severely disadvantaged young people in a structured residential setting. The budget proposes \$1.3 billion, an increase of \$62 million over the 1998 level, to open three to five new centers, fund opportunities for 70,000 young people, and maintain progress on quality improvements begun in 1998.

### **Child Labor Abuses**

Responding to growing concern for the working conditions of children all over the

world, the budget proposes \$89 million to address the issue. Along with the proposed \$50 million increase for Title I—Migrant Education, described earlier in this chapter, the budget proposes \$39 million for a two-pronged attack on domestic and international child labor abuses.

***International Child Labor Activities:*** The budget proposes a \$27 million increase, to \$30 million, for the Labor Department to enable the International Labor Organization's International Programme to Eliminate Child Labor to expand its work into more countries and industries. The proposed five-year, \$150 million investment will help ensure that goods produced abroad for the U.S. market are not made with illegal child labor. The budget also proposes \$3 million to enable the Customs Service to enforce the law banning the import of goods made with forced or bonded child labor.

***Domestic Child Labor Activities:*** The budget proposes \$9 million for the Labor Department, including \$4 million to help eliminate domestic violations of child labor laws, particularly in the agriculture sector, and \$5 million for demonstration programs to provide alternatives to field work for migrant youth.

### **Education and Employment for People with Disabilities**

The budget proposes to maintain or increase most programs for people with disabilities, providing, for instance, a 16-percent increase for certain activities that enforce the Americans with Disabilities Act. The Administration will continue to press Congress to enact its proposal to help more people leave the disability rolls to return to work. In addition, the budget includes \$2.4 million for an initiative to develop new policies to reduce barriers to employment for people with disabilities.